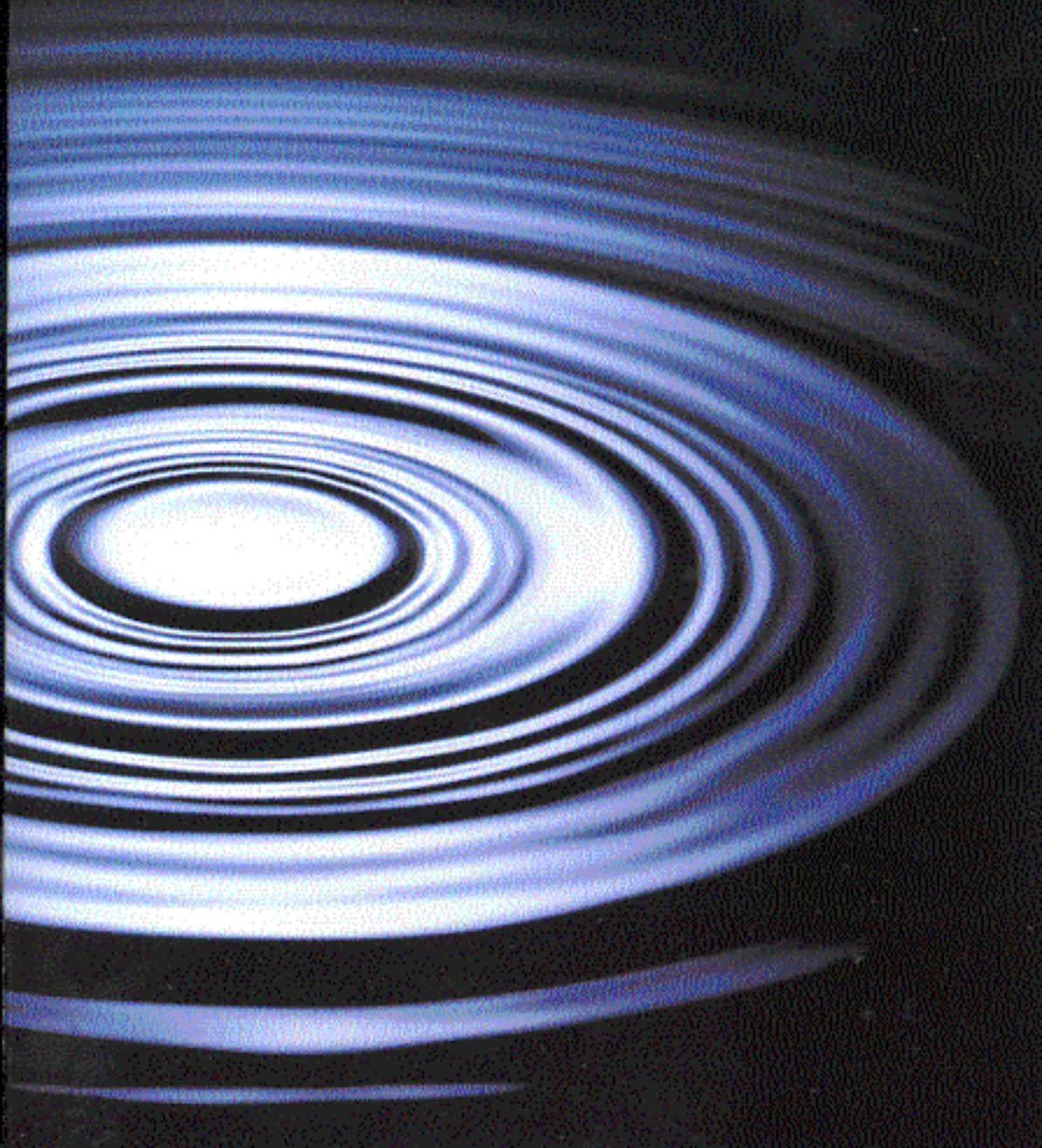


CONNECTICUT  
HOSPITAL  
ASSOCIATION  
AND AFFILIATES

1999  
ANNUAL  
REPORT



## OUR MISSION

**T**he Connecticut Hospital Association (CHA) strives to continually advance the health of individuals and communities by leading, representing, and serving hospitals and their related healthcare organizations that are accountable to the community and committed to health improvement.

### CHA ACHIEVES THIS MISSION THROUGH:

- Public policy and advocacy on behalf of the interests of hospitals and their related healthcare organizations.
- Leadership and innovative services to further community-based healthcare delivery.
- Strengthened ties and collaborative efforts with other organizations which have common values and aims.
- Innovative research and education in the delivery and financing of healthcare services.
- Leadership in fostering an environment within which integrated delivery systems can be created and thrive.

## PRESIDENT'S MESSAGE

In these uncertain times in healthcare, CHA is stronger than ever. Through yet another year of challenges for our members, CHA was the voice, steward and leader of the healthcare values that Connecticut's nonprofit hospitals practice every day in their communities.



*Dennis P. May, President of The Connecticut Hospital Association (left) and Jonathan T. Lord, M.D., Chief Operating Officer of the American Hospital Association announced their new collaborative agreement at CHA's June 1999 Annual Meeting.*

In 1999, CHA took a step to insure its effectiveness into the new millennium by forging a historic relationship with the American Hospital Association (AHA), which will strengthen AHA's federal advocacy efforts and provide a stronger united voice for Connecticut hospitals.

The past 12 months are only a prelude to a more challenging financial and political future for healthcare. The association's achievements outlined here demonstrate the value of standing united and speaking with a common voice.

Dennis P. May  
President  
Connecticut Hospital Association



# PUBLIC POLICY AND ADVOCACY

- CHA recommended passage of a Distressed Hospital Fund again in 1999 to help Connecticut hospitals disadvantaged by the formulas used by the state's uncompensated care pool. State legislators supported it, then, instead, substituted a \$60 million cut in uncompensated care pool taxes over two years, a far more generous solution to aid our members in their challenge to meet the needs of the indigent and underinsured.
- The General Assembly also held payments to hospitals from the uncompensated care pool to a constant level of \$210 million annually despite the decrease in taxes, then appropriated one million dollars to study the plight of Connecticut's distressed hospitals.
- CHA worked diligently to insure passage of managed care reform legislation, which passed the General Assembly overwhelmingly despite the active opposition of health plans, business and insurers. The reforms benefit patients within our state by promising greater access to medical care, requiring prompt payment from managed care companies, including more mandated benefits and providing for an ombudsman to help patients appeal care and payment denials from HMO's.
- CHA was instrumental in defeating a series of bills which would have further regulated hospital billing practices, subjected health care providers to "health care fraud" accusations for simple billing errors, mandated specific nurse-patient ratios, created consumer report cards for hospitals, required hospitals to report on Y2K progress, and a host of other measures which would have increased operating costs for hospitals in Connecticut.
- On the national front, CHA obtained Congressional co-sponsors for major revisions to the Balanced Budget Act of 1997 resulting in overwhelming support by the Connecticut Congressional delegation. Senators Dodd and Lieberman, for example, signed the letter to HCFA demanding an end to the 5.7 percent cut in hospital outpatient payments and other members of congress voiced support for BBA revisions by co-sponsoring specific bills providing relief for hospitals nationwide.
- CHA's Finance team worked with HCFA Regional and Central offices to document Fiscal Intermediary payment problems and secured for Connecticut hospitals more than 20 million dollars of advanced payments.
- On behalf of its membership, CHA obtained from the Insurance Department regulatory assurance that interest on health care claims over 45 days is still applicable.
- In anticipation of the Year 2000 and possible interruption of payments to our members, CHA collaborated with the Insurance Department to identify potential payment problems by payor and developed a Y2K periodic interim payment system.
- Over the past year, CHA's finance area analyzed the fiscal impact of the Balanced Budget Act of 1997 and worked to obtain tools to analyze the future impact of APGs (outpatient rates).



■ CHA is on the frontline to defend against a number of threats to dilute and weaken Connecticut's peer review protection. CHA participated as a member of JCAHO's task force to fashion an acceptable sentinel event policy for Connecticut hospitals; it also filed legal briefs as amicus in appeals bearing directly on Connecticut's peer review statute.

■ CHA actively worked to assist members in the time and resource intensive effort of implementing compliance programs. Educational programs, information sharing forums, and legal and regulatory briefings were conducted by CHA. CHA has also developed two compliance services for the membership: (1) a Compliance HelpLine Service; and (2) The Health Care Integrity System (HCIS), a background screening service.

■ CHA negotiated the settlement of civil litigation and government enforcement actions brought against Connecticut hospitals regarding communication services for deaf and hearing-impaired patients and their families. All of Connecticut's acute care hospitals voluntarily entered into the settlement, which was structured as a consent decree, and have implemented programs to improve communication services to deaf individuals. The consent decree is regarded throughout the country as the model for an effective statewide system to serve the communication needs of deaf individuals in the health care system.

■ CHIME-Net established a connection between CHA and Empire Medicare Services in Staten Island, New York in June 1999 enabling 20 of Connecticut's acute-care hospitals to begin processing their Medicare claims electronically over CHIME-Net. These claims represent an average of 60 percent of the total revenue for each hospital. In addition to the main connection, a redundant backup ISDN connection was also established in order to provide the hospitals with a cost effective and reliable mechanism for processing its Medicare claims.

■ CHA proactively addressed the Year 2000 issue and its impact on hospitals by developing a Y2K Communications Action Kit. The 42-page document contains useful communications tools, sample templates and resources developed to assist hospital executives and trustees in communicating the Y2K issue to various audiences. The kit has not only been used by Connecticut hospitals, but adopted by the AHA as the industry standard and was distributed nationally to more than 5,000 hospitals and health systems.

■ In 1999, CHIME-Trust became the first statewide healthcare electronic security initiative in the country to use Public Key Infrastructure (PKI). CHIME-Trust will enable health care workers to register and obtain a digital certificate with two individualized codes or keys. This PKI system will meet HCFA and HIPAA requirements for electronic identification, authentication, encryption, and digital signing of health care information.



■ CHA and the Connecticut Association for Home Care, Inc. through its joint venture, The Connecticut Health Collaborative, launched a pilot project - Examining Patient Satisfaction Along the Continuum of Care - with goals of (1) gaining insight into the patient experience and transition along the continuum from acute care discharge to home care, (2) identifying best practices and opportunities for improvement in both sites, and (3) reinforcing the value of affiliation and functioning as an integrated delivery system. Eleven hospital-home health systems are currently participating in the one-year project.

■ In partnership with the JCAHO, CHA developed and rolled out a Continuous Survey Readiness project designed to help members streamline and maintain JCAHO accreditation. A steering committee has been formed and the full project will be offered for implementation later this year.

■ The Association investigated the merits of joining the State of Connecticut's lawsuit against the tobacco industry to insure that funds would be used to support our members' existing programs to discourage cigarette smoking by Connecticut teens and reduce the incidence of lung cancer in the state.

■ CHA's annual "Hospital Day at the Capitol" continued to provide an effective forum to rally around common issues and mobilize grassroots support of legislation helpful to hospitals and their patients. In 1999, 26 hospitals participated, providing dozens of hospital and community leaders the opportunity to be directly involved in the legislative process in Hartford.

■ AHA/CHREF Quality Initiative is a new initiative where AHA and CHREF will jointly share clinical resources to assist members in improving their quality of care. CHREF joins a handful of associations working with AHA on this quality initiative.

■ Toward Excellence in Care-ORYX has submitted quality outcome indicator data to the JCAHO on behalf of participating hospitals for the JCAHO ORYX program. TEIC currently provides comparative information on nine quality indicators to its members on a quarterly basis.

■ CHA provided its members with support in preparing for the Year 2000 (Y2K) by focusing upon key Y2K issues in health care: assessing the Y2K compliance status of biomedical devices and equipment; ensuring that the flow of funds from governmental and private payers to health care providers is not interrupted; and contingency planning. CHA worked with the AHA in assuming a lead role at the national level in advocating for full and timely disclosure of Y2K compliance information from medical device manufacturers.



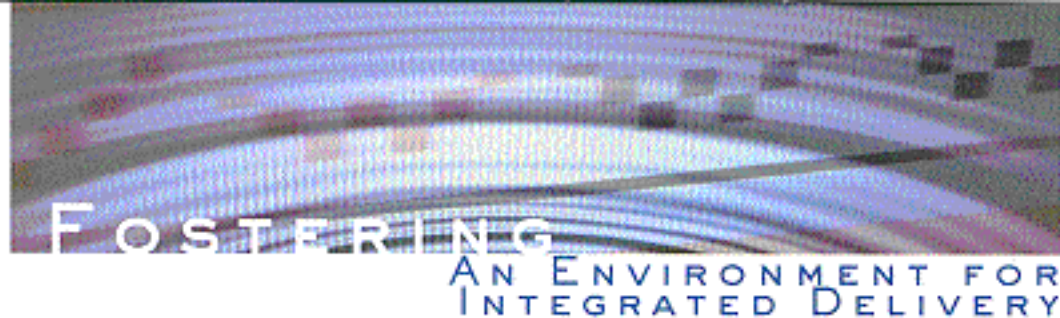
■ CHA and its 31 acute-care member hospitals developed and implemented an educational awareness campaign regarding the choices available to senior adults for healthcare coverage. The campaign elements, including radio and newspaper advertising, an informational brochure and news releases touted "traditional" Medicare as a stable alternative to Medicare managed care.

■ The national issue of loss of public confidence and trust in hospitals was addressed head-on by the CHA Board last year. After extensive work by its AdHoc Committee on Image and Community Health Status, a final report and publication - *It's a Matter of Trust, Improving the Image of Hospitals by Creating a Culture of Integrity* - was prepared and distributed to hospital presidents to guide them in effectively communicating to internal and external audiences the impact of industry change on their organization.

■ CHIME-Interactive developed a new online reporting tool allowing participating hospitals a mechanism for secure, web-based access to CHIME information. CHIME is planning to implement this tool in the upcoming year providing dynamic, interactive comparative reporting to its members.

■ CHIME and Yale University continue to make progress in the research project, RXInfo, sponsored by the U.S. Department of Commerce, National Institute of Standards and Technology. CHIME is currently collecting pharmacy level data from six hospitals. The RXInfo Team is in the process of linking this data to the existing CHIME data base to begin research efforts, data mining, and reporting of the results on-line via the web. In the near future CHIME plans on adding these pharmacy elements and reports to the CHIME data base.

■ CHREF completed its research project, Healthcare Information Technology Enabling Community Care (HITECC), funded by the U.S. Department of Commerce, National Institute of Standards and Technology (NIST). CHREF worked with national partners on the development of a master patient index (MPI) for use across multiple institutions at a state level that would enable health care providers to locate patients' clinical information given proper authorization. CHREF also explored the integration of biometric security devices and software tools such as facial recognition, electronic signatures and finger print recognition with health care information systems. The security work led to the creation of CHIME-Trust, the new PKI Security infrastructure.



- Through CHA's formal educational programming and conference group/peer networking structure, more than 1,000 membership meetings were held in our Wallingford, CT facility during 1998-99. Curricula included programs on management/professional development, managed care, JCAHO, financial issues, Y2K, clinical and patient-care issues, changes to data collection and reporting and more. CHA also extended our conference meeting facilities to other statewide health-related organizations (approved guests of CHA) increasing the number of meetings by an additional 400 during this past year.
- CHA broadened its educational reach this past year addressing the growing need to work more closely with physician leaders and hospital trustees. The first-of-its-kind Hospital CEO-Physician Leadership Forum was held, providing side-by-side learning and small group discussion opportunities with the goal of aligning common interests and building potential areas for collaboration to face an uncertain future. In addition, two Statewide Trustee Forums were held to provide a global perspective for hospital trustees on key issues they need to understand to govern their institutions successfully in the future.
- CHIME-Link continues to provide the Eligibility Verification application to its members. Using a web browser, health care providers can verify patient eligibility for medical services, plan benefit inclusions and exclusions, and co-pay requirements. Through CHIME-Net connections to Anthem Blue Cross, NDC in Atlanta, and ENVOY/TEIC in Tennessee, the application currently connects to Medicare, Medicaid, Blue Cross, Aetna, CIGNA and a variety of other payers.



- Diversified Network Services, Inc., an affiliate of CHA, provides additional member services through its Workers' Compensation Trust, Financial and Insurance Management Services Division, Network Management Division, and Shared Services Program.
- The CHA Worker's Compensation Trust (CHAWCT) renewed 94 percent of its accounts on January 1, 1999 and, in the first quarter alone, had written 23 new accounts totaling \$2,000,000 in premium. For calendar year 1999, the Trust is expected to write \$12,000,000 in premium, surpassing 1998 by 5 percent.
- CHAWCT insureds, many of which are also CHA members, received \$2,200,000 in premium returns in 1998 because of better-than-expected results in prior policy years.
- Diversified Network Services expanded its Workers' Compensation Third-Party Administration (TPA) services to self-insured employers. In addition to servicing the CHAWCT, DNS now provides claims administration, managed care and loss control services to two hospitals, two municipalities, and a transportation company.
- The Network Management Division (NMD) has negotiated new four-year agreements to provide services to the combined PHS and M.D. Health Plan Medicare and Medicaid populations. The contracts substantially increased net revenues to hospitals. NMD has also initiated the development of medical management capability, as well as initiating the search for commercial information applications to aid in information, medical and contract management.
- The CHA Shared Services Program (CHASSP) expanded its base of participants in Connecticut and elsewhere in New England. Partnering arrangements with various trade associations enable CHASSP to provide group contracts to facilities that may not otherwise have access to them. In addition, CHASSP contracts represent an alternative choice for those facilities that may already have access to group purchasing.

## FOUNDED IN 1919,

The Connecticut Hospital Association, Incorporated (CHA) has been representing hospitals and health-related member organizations for 80 years. From its Wallingford, Connecticut headquarters, CHA's staff of more than 140 professionals strive to advance the health of individuals and communities by leading, representing and serving hospitals and their related healthcare organizations that are accountable to the community and committed to health improvement.

## CHA'S DIVERSE MEMBERSHIP INCLUDES:

- 31 of the state's 31 acute-care hospitals and their related healthcare organizations
- Short-term specialty hospitals
- Long-term care facilities, nursing homes, and hospices
- VNAs, ambulatory care centers, clinics
- HMOs and other insurers
- Physician Group Practices
- Corporate and Associate Members
- Personal Members

## 1998-99 BOARD OF TRUSTEES

### EXECUTIVE COMMITTEE:

Chairman: *Gerard D. Robilotti*  
The Danbury Hospital

Chairman-Elect:  
*Edward S. Sawicki, M.D.*  
Windham Hospital

Immediate Past Chairman:  
*Raymond S. Andrews, Jr.*  
Hospital for Special Care

President: *Dennis P. May*  
Connecticut Hospital Association

Secretary: *Marna Boystrom*  
Yale-New Haven Hospital

Treasurer: *John J. Pasowka*  
Waterbury Hospital

### TERMS EXPIRE JUNE 1999:

*Daniel I. Katz,*  
William & Sally Tandet Center for  
Continuing Care

*Thomas P. Pipicelli,*  
The William W. Backus Hospital

\**Charles E. Rowdan, M.D.,*  
The Hospital of Saint Raphael

*John C. Russell, M.D.,*  
New Britain General Hospital

*Karen D. Stone*

*Sister Marguerite Waite,*  
Saint Mary's Hospital

### TERMS EXPIRE JUNE 2000:

*Elizabeth T. Beauvin,*  
Sharon Hospital, Inc.

*William B. Maley, Sr.,*  
Milford Hospital

*Barry M. Sperry,*  
Masonicare Corporation

*John H. Tobin,*  
The Waterbury Hospital

*David D'Eramo, Ph.D.,*  
Saint Francis Hospital and Medical Center

### TERMS EXPIRE JUNE 2001:

*William T. Christopher,*  
Lawrence & Memorial Hospital

*Rosanne U. Grissold,*  
The Charlotte Hungerford Hospital

\**Cynthia A. Gutierrez,*  
Midstate Medical Center

*Lenworth Jacobs, M.D.,*  
University of Connecticut Medical Center

*Laurence P. Robinson, Esq.,*  
Eastern Connecticut Health Network, Inc.

### TERM EXPIRES DECEMBER 1999:

Delegate to the American Hospital Association:  
*Gerard D. Robilotti,*  
The Danbury Hospital

## 1999-2000 BOARD OF TRUSTEES

### EXECUTIVE COMMITTEE:

Chairman: *Edward S. Sawicki, M.D.*  
Windham Hospital

Chairman-Elect: *John H. Tobin*  
The Waterbury Hospital

Immediate Past Chairman:  
*Gerard D. Robilotti*  
The Danbury Hospital

President: *Dennis P. May*  
The Connecticut Hospital Association,  
Incorporated

Secretary: *Marna P. Boystrom*  
Yale-New Haven Hospital

Treasurer: *Sister Marguerite Waite*  
St. Mary's Hospital

### TERMS EXPIRE JUNE 2000:

*Elizabeth T. Beauvin,*  
Sharon Hospital, Inc.

*David D'Eramo, Ph.D.,*  
Saint Francis Hospital and Medical Center

*William B. Maley, Sr.,*  
Milford Hospital

*Barry M. Sperry,*  
Masonicare Corporation

*Robert J. Terfry,*  
Bridgeport Hospital

### TERMS EXPIRE JUNE 2001:

*William T. Christopher,*  
Lawrence & Memorial Hospital

*Rosanne U. Grissold,*  
The Charlotte Hungerford Hospital

\**Cynthia A. Gutierrez,*  
Midstate Medical Center

*Lenworth Jacobs, M.D.,*  
University of Connecticut Medical Center

*Laurence P. Robinson, Esq.,*  
ECHN Board of Trustees

### TERMS EXPIRE JUNE 2002:

*John "Rusty" Chandler,*  
Sharon Hospital, Inc.

*Patrick A. Charnel,*  
Griffin Hospital

*Larry M. Gold,*  
Connecticut Children's Medical Center

*Robert J. Lyons, Jr.,*  
Gaylord Hospital, Inc.

\**Charles E. Rowdan, M.D.,*  
The Hospital of Saint Raphael

*John C. Russell, M.D.,*  
New Britain General Hospital

### TERM EXPIRES DECEMBER 1999

Delegate to the American  
Hospital Association:  
*Gerard D. Robilotti,*  
The Danbury Hospital

### EX OFFICIO:

Designate of President of American  
Hospital Association  
*Jonathan T. Lovv, M.D.,*  
American Hospital Association

\* Member of the Executive Committee



CONNECTICUT HOSPITAL  
ASSOCIATION  
AND AFFILIATES

110 Barnes Road  
Wallingford, Connecticut 06492-0090  
Tel: 203.265.7611  
Fax: 203.284.9318  
<http://www.chime.org>